

ASSEMBLY, No. 3524

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED OCTOBER 19, 2006

Sponsored by:

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

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District 19 (Middlesex)

SYNOPSIS

Renames New Jersey Merit Rating Plan.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT renaming the New Jersey Merit Rating Plan and amending
2 P.L.1983, c.65.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section b. of P.L.1983, c.65 (C.17:29A-35) is amended to
8 read as follows:

9 6. a. (Deleted by amendment, P.L.1997, c.151.)

10 b. There is created a **【New Jersey Merit Rating Plan】** Motor
11 Vehicle Violations and Accidents Surcharge System which shall
12 apply to all drivers and shall include, but not be limited to, the
13 following provisions

14 (1) (a) **【Plan surcharges】** Surcharges shall be levied, beginning
15 on or after January 1, 1984, by the New Jersey Motor Vehicle
16 Commission (hereafter the "commission") established by section 4
17 of P.L.2003, c.13 (C.39:2A-4) on any driver who, in the preceding
18 36-month period, has accumulated six or more motor vehicle points,
19 as provided in Title 39 of the Revised Statutes; except that the
20 allowance for a reduction of points in Title 39 of the Revised
21 Statutes shall not apply for the purpose of determining surcharges
22 under this paragraph. The accumulation of points shall be
23 calculated as of the date the point violation is posted to the driver
24 history record and shall be levied pursuant to rules promulgated by
25 the commission. Surcharges assessed pursuant to this paragraph
26 shall be \$150.00 for six points, and \$25.00 for each additional
27 point. No offense shall be selected for billing which occurred prior
28 to February 10, 1983. No offense shall be considered for billing in
29 more than three annual assessments.

30 (b) (Deleted by amendment, P.L.1984, c.1.)

31 (2) (a) **【Plan surcharges】** Surcharges shall be levied pursuant to
32 subsection f. of section 1 of P.L.2000, c.75 (C.39:4-97.2) for each
33 offense of unsafe driving under subsection a. of that section.

34 (b) **【Plan surcharges】** Surcharges shall be levied for convictions
35 (i) under R.S.39:4-50 for violations occurring on or after February
36 10, 1983, and (ii) under section 2 of P.L.1981, c.512 (C.39:4-
37 50.4a), or for offenses committed in other jurisdictions of a
38 substantially similar nature to those under R.S.39:4-50 or section 2
39 of P.L.1981, c.512 (C.39:4-50.4a), for violations occurring on or
40 after January 26, 1984. Except as hereinafter provided, surcharges
41 under this subparagraph (b) shall be levied annually for a three-year
42 period, and shall be \$1,000.00 per year for each of the first two
43 convictions, for a total surcharge of \$3,000 for each conviction, and
44 \$1,500.00 per year for the third conviction occurring within a three-
45 year period, for a total surcharge of \$4,500 for the third conviction.

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 If a driver is convicted under both R.S.39:4-50 and section 2 of
2 P.L.1981, c.512 (C.39:4-50.4a) for offenses arising out of the same
3 incident, the driver shall be assessed only one surcharge for the two
4 offenses.

5 If, upon written notification from the commission or its designee,
6 mailed to the last address of record with the commission, a driver
7 fails to pay a surcharge levied under subparagraph (b) of paragraph
8 (2) of this subsection b., the driving privilege of the driver shall be
9 suspended forthwith until the minimum payment requirement as set
10 forth by rule by the commission is paid to the commission; except
11 that the commission may authorize payment of the surcharge on an
12 installment basis over a period not to exceed 12 months for
13 assessments under \$2,300 or 24 months for assessments of \$2,300
14 or more. If a driver fails to pay the surcharge or any installments on
15 the surcharge, the total surcharge shall become due immediately,
16 except as otherwise prescribed by rule of the commission.

17 The commission may authorize any person to pay the surcharge
18 levied under this section and collectible by the commission by use
19 of a credit card, debit card or other electronic payment device, and
20 the administrator is authorized to require the person to pay all costs
21 incurred by the commission in connection with the acceptance of
22 the credit card, debit card or other electronic payment device. If a
23 surcharge or related administrative fee is paid by credit or debit
24 cards or any other electronic payment device and the amount is
25 subsequently reversed by the credit card company or bank, the
26 driving privilege of the surcharged driver shall be suspended and
27 the driver shall be subject to the fee imposed for dishonored checks
28 pursuant to section 31 of P.L.1994, c.60 (C.39:5-36.1).

29 In addition to any other remedy provided by law, the commission
30 is authorized to utilize the provisions of the SOIL (Set off of
31 Individual Liability) program established pursuant to P.L.1981,
32 c.239 (C.54A:9-8.1 et seq.) to collect any surcharge levied under
33 this section that and collectible by the commission is unpaid on or
34 after the effective date of this act. As an additional remedy, the
35 commission may issue a certificate to the Clerk of the Superior
36 Court stating that the person identified in the certificate is indebted
37 under this surcharge law in such amount as shall be stated in the
38 certificate. The certificate shall reference the statute under which
39 the indebtedness arises. Thereupon the clerk to whom such
40 certificate shall have been issued shall immediately enter upon the
41 record of docketed judgments the name of such person as debtor;
42 the State as creditor; the address of such person, if shown in the
43 certificate; the amount of the debt so certified; a reference to the
44 statute under which the surcharge is assessed, and the date of
45 making such entries. The docketing of the entries shall have the
46 same force and effect as a civil judgment docketed in the Superior
47 Court, and the commission shall have all the remedies and may take
48 all of the proceedings for the collection thereof which may be had

1 or taken upon the recovery of a judgment in an action, but without
2 prejudice to any right of appeal. Upon entry by the clerk of the
3 certificate in the record of docketed judgments in accordance with
4 this provision, interest in the amount specified by the court rules for
5 post-judgment interest shall accrue from the date of the docketing
6 of the certificate, however payment of the interest may be waived
7 by the commission or its designee. In the event that the surcharge
8 remains unpaid following the issuance of the certificate of debt and
9 the commission takes any further collection action including
10 referral of the matter to the Attorney General or his designee, the
11 fee imposed, in lieu of the actual cost of collection, may be 20
12 percent of surcharges of \$1,000 or more. The administrator or his
13 designee may establish a sliding scale, not to exceed a maximum
14 amount of \$200, for surcharge principal amounts of less than \$1,000
15 at the time the certificate of debt is forwarded to the Superior Court
16 for filing. The commission shall provide written notification to a
17 driver of the proposed filing of the certificate of debt at least 10
18 days prior to the proposed filing; such notice shall be mailed to the
19 driver's last address of record with the commission. If a certificate
20 of debt is satisfied following a credit card payment, debit card
21 payment or payment by other electronic payment device and that
22 payment is reversed, a new certificate of debt shall be filed against
23 the surcharged driver unless the original is reinstated.

24 If the administrator or his designee approves a special payment
25 plan for repayment of the certificate of debt, and the driver is
26 complying with the approved plan, the plan may be continued for
27 any new surcharge not part of the certificate of debt.

28 All moneys collectible by the commission under subparagraph
29 (b) of paragraph (2) of this subsection b. shall be billed and
30 collected by the commission except as provided in P.L.1997, c.280
31 (C.2B:19-10 et al.) for the collection of unpaid surcharges.
32 Commencing on September 1, 1996, or such earlier time as the
33 Commissioner of Banking and Insurance shall certify to the State
34 Treasurer that amounts on deposit in the New Jersey Automobile
35 Insurance Guaranty Fund are sufficient to satisfy the current and
36 anticipated financial obligations of the New Jersey Automobile Full
37 Insurance Underwriting Association, all **[plan]** surcharges collected
38 by the commission under subparagraph (b) of paragraph (2) of this
39 subsection b. shall be remitted to the Division of Motor Vehicles
40 Surcharge Fund:

41 (i) for transfer to the Market Transition Facility Revenue Fund,
42 as provided in section 12 of P.L.1994, c.57 (C.34:1B-21.12), for the
43 purposes of section 4 of P.L.1994, c.57 (C.34:1B-21.4) until such a
44 time as all the Market Transition Facility bonds, notes and
45 obligations and all Motor Vehicle Commission bonds, notes and
46 obligations issued pursuant to that section 4 of P.L.1994, c.57
47 (C.34:1B-21.4) and the costs thereof are discharged and no longer
48 outstanding; and

1 (ii) from and after the date of certification by the Commissioner
2 of Banking and Insurance that the moneys collectible under
3 subparagraph (b) of paragraph (2) of this subsection b. are no longer
4 needed to fund the association or at such time as all Market
5 Transition Facility bonds, notes and obligations and all Motor
6 Vehicle Commission bonds, notes and obligations issued pursuant
7 to section 4 of P.L.1994, c.57 (C.34:1B-21.4) and the costs thereof
8 are discharged and no longer outstanding, for transfer to the Motor
9 Vehicle Surcharges Revenue Fund established pursuant to section 6
10 of the "Motor Vehicle Surcharges Securitization Act of 2004,"
11 P.L.2004, c.70 (C.34:1B-21.28) to be applied as set forth in section
12 6 that act. From and after such time as all bonds issued under
13 section 4 of the "Motor Vehicle Surcharges Securitization Act of
14 2004," P.L.2004, c.70 (C.34:1B-21.26) and the costs thereof are
15 discharged and no longer outstanding, all **[plan]** surcharges
16 collected by the commission under subparagraph (b) of paragraph
17 (2) of this subsection b. shall, subject to appropriation, be remitted
18 to the New Jersey Property-Liability Insurance Guaranty
19 Association created pursuant to section 6 of P.L.1974, c.17
20 (C.17:30A-6) to be used for payment of any loans made by that
21 association to the New Jersey Automobile Insurance Guaranty Fund
22 pursuant to paragraph (10) of subsection a. of section 8 of P.L.1974,
23 c.17 (C.17:30A-8); provided that all such payments shall be subject
24 to and dependent upon appropriation by the State Legislature.

25 All surcharges collected by the courts **[as plan surcharges]**
26 pursuant to subparagraph (a) of paragraph (2) of this subsection b.
27 shall be forwarded not less frequently than monthly to the Division
28 of Revenue. The Division of Revenue shall transfer: all such
29 surcharges received prior to July 1, 2006, to the General Fund, and
30 commencing July 1, 2006, all such surcharges to the Unsafe Driving
31 Surcharge Revenue Fund established pursuant to section 5 of the
32 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,
33 c.70 (C.34:1B-21.27) to be applied as set forth in section 5 of that
34 act. From and after such time as all bonds (including refunding
35 bonds), notes and other obligations issued under section 4 of the
36 "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004,
37 c.70 (C.34:1B-21.26), and the costs thereof are discharged and no
38 longer outstanding, all such **[plan]** surcharges collected by the
39 courts pursuant to subparagraph (a) of paragraph (2) of this
40 subsection b. and forwarded to the Division of Revenue shall be
41 transferred to the General Fund.

42 Upon request, the Administrative Office of the Courts shall
43 provide a monthly report to the Division of Revenue containing
44 information on the number of convictions for the offense of unsafe
45 driving pursuant to section 1 of P.L.2000, c.75 (C.39:4-97.2) that
46 were entered during such month, the amount of the surcharges that
47 were assessed by the courts pursuant to subsection f. of section 1 of
48 P.L.2000, c.75 (C.39:4-97.2) for such month, and the amount of the

1 surcharges collected by the courts pursuant to subsection f. of
2 section 1 of P.L.2000, c.75 (C.39:4-97.2) during such month.

3 (3) In addition to any other authority provided in P.L.1983, c.65
4 (C.17:29A-33 et al.), the commissioner, after consultation with the
5 commission, is specifically authorized (a) (Deleted by amendment,
6 P.L.1994, c.64), (b) to impose, in accordance with subparagraph (a)
7 of paragraph (1) of this subsection b., surcharges for motor vehicle
8 violations or convictions for which motor vehicle points are not
9 assessed under Title 39 of the Revised Statutes, or (c) to reduce the
10 number of points for which surcharges may be assessed below the
11 level provided in subparagraph (a) of paragraph (1) of this
12 subsection b., except that the dollar amount of all surcharges levied
13 under the **【New Jersey Merit Rating Plan】 Motor Vehicle**
14 **Violations and Accidents Surcharge System** shall be uniform on a
15 Statewide basis for each filer, without regard to classification or
16 territory. Surcharges adopted by the commissioner on or after
17 January 1, 1984 for motor vehicle violations or convictions for
18 which motor vehicle points are not assessable under Title 39 of the
19 Revised Statutes shall not be retroactively applied but shall take
20 effect on the date of the New Jersey Register in which notice of
21 adoption appears or the effective date set forth in that notice,
22 whichever is later.

23 c. No motor vehicle violation surcharges shall be levied on an
24 automobile insurance policy issued or renewed on or after January
25 1, 1984, except in accordance with the **【New Jersey Merit Rating**
26 **Plan】 Motor Vehicle Violations and Accidents Surcharge System,**
27 and all surcharges levied thereunder shall be assessed, collected and
28 distributed in accordance with subsection b. of this section.

29 d. (Deleted by amendment, P.L.1990, c.8.)

30 e. The Commissioner of Banking and Insurance and the
31 commission as may be appropriate, shall adopt any rules and
32 regulations necessary or appropriate to effectuate the purposes of
33 this section.

34 (cf: P.L.2004, c.70, s.10)

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36 2. This act shall take effect immediately.

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STATEMENT

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41 The bill would change the name of the New Jersey Merit Rating
42 Plan to the Motor Vehicle Violations and Accidents Surcharge
43 System. The bill further changes the term “plan surcharges” to
44 “surcharges.” It is the sponsor’s belief that this change will better
45 describe the plan.

46 This bill was prompted by a recommendation from the Motor
47 Vehicles Affordability and Fairness Task Force.